Boeing Commercial Airplanes

Ray Conner
Vice Chairman, The Boeing Company
President and CEO, Boeing Commercial Airplanes

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Airline Business Environment

- Global economic growth rate below average
- Passenger market resilient, growing
- Cargo market slowly recovering, challenging
- Load factors and utilization at historic highs
- Volatile fuel prices, strong U.S. dollar
- Adequate financing and liquidity
- Airline financials healthy, growing profitability

Airline industry trends remain healthy… growing market environment
Unprecedented backlog provides solid foundation for long-term growth
BCA Strategy

- Differentiated products and services
- Aligned and disciplined airplane development
- Lean and responsive production system
- Expand market position
- Enable and integrate services growth

Expand market share while growing profitably

1Q16 Commercial Airplanes Backlog
5,740 Units

20-Year Current Market Outlook
2015-2034

Narrow-Body $2.9T
Wide-Body $2.7T
Services $2.8T

$8.4T

Narrow-Body 45%
Wide-Body 55%
$424B
<table>
<thead>
<tr>
<th>Boeing</th>
<th>Airbus</th>
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<td><strong>747-8</strong></td>
<td><strong>A380</strong></td>
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Most comprehensive product lineup in the industry
737 vs. A320 Family Orders Since 2011

Orders since 737 MAX launch in December 2011. Data as of March 31, 2016.

737 family has captured 50% market share since 737 MAX launch
BCA Production

Conservatively increasing production rates

Guidance

Deliveries


477 648 762 >900

17 rate increases
5 planned key rate increases
777 transition

>900
Development Update

737 MAX
- Flight test program on schedule with first four airplanes flying
- Recurring/non-recurring cost reductions on track
- Product development design efficiencies being realized

787-10
- 95% design/build commonality on 787-9/-10 driving producibility benefits
- Recurring/non-recurring cost better than plan and continues to improve
- Major assembly began early and progressing well

777X
- Detailed design progressing to plan
- Performance, reliability, maintainability on track
- Supplier integration underway and meeting targets
Productivity Focused

- Increase technology across Programs – common and standard
- Innovate with discipline and focus
- Systems integration that enables increased analytics and continuous improvement
- Tailor automotive productivity to aerospace
- Equipment platforms driving flexibility and modularity
- Leverage investments to transform the production system

737 Automated Wing Panel Assembly
Will enable 60% reduction in defects, 30% reduction in flow time, 50% reduction in employee injury

777 Fuselage Automated Upright Build (FAUB)
Automated, guided robots that will drill and fill ~50,000 fasteners that are today installed by hand

787 Rear Fuselage Quadbots
Automated, guided robots that drill and fasten frames to fuselage with real time inspection, driving first-time quality

Increasing productivity while meeting planned production rates
Growing Boeing’s Services Business

Strategy

- Provide 24/7 global support
- Increase parts portfolio, broaden distribution
- Enhance value-added maintenance & engineering
- Leverage market-leading data analytics
- Meet robust global demand for training
- Leverage One Boeing opportunities

Results

- Record orders in 2014 and 2015
- Growing backlog

Winning market share with world-class support & services
BCA Margins – Focused on Mid Teens

Key Drivers / Areas of Focus
- Delivering on backlog
- Supply chain efficiencies
- First-time production quality
- Development transition/efficiency
- Factory automation
- Internal cost optimization
- Market conditions
- Competitive landscape

Aggressively focused on productivity to drive margin expansion
Summary

- Execute on backlog
- Expand market position - drive innovation and growth
- Improve bottom line through performance and productivity
- Design for customer value, producibility, maintainability and reliability
- Maintain competitive advantage
- Deliver results with the best team and talent

The aerospace leader and enduring global industrial champion